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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 23, 2014

CERTIFIED RETURN RECEIPT
7011 2970 0001 8828 9913

Josh Nelson
Ash Grove Cement Company
PO Box 38069
Leamington, Utah 84538-0069

Subject: Evaluation of Reclamation Surety, Ash Grove Cement Company, Navajo Sandstone Mine, M/023/0095, Juab County, Utah

Dear Mr. Nelson:

The last reclamation cost estimate for the Navajo Sandstone Mine was completed in 2008 and escalated to 2013 dollars, so the reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division asks that you update the unit costs in the cost estimate to 2014 and escalate the bond for five years at a rate of 1.9% per year. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (Notice) by August 31, 2014.**

The Division also requests that you review the Notice to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment.

Please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov if you have questions about the worksheets or other aspects of this letter. Thank you for your cooperation on this and other projects.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:whw:pb

cc: Duane Bays, Fillmore BLM (dbays@blm.gov)

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